

KEHILLAT KADIMAH LIMITED

ABN 34 620 597 640

**ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

**Kehillat Kadimah Limited
Auditors' Independence Declaration
To the Directors of Kehillat Kadimah Limited**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2018 there have been:

- i. no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Name of Firm: Logicca Assurance Pty Limited

Name of Director: Peter Hersh



Address: Level 6, 151 Macquarie Street Sydney NSW 2000

Dated this 20th day of March 2019

KEHILLAT KADIMAH LIMITED
ABN 34 620 597 640
AS AT 31 DECEMBER 2018

CONTENTS

Statement of profit or loss and other comprehensive income	4
Statement of financial position	5
Statement of changes in equity	6
Statement of cash flows	7
Notes to the financial statements	8
Directors' declaration	14
Independent auditor's report to the members of Kehillat Kadimah Limited	15
Detailed statement of profit or loss	17

KEHILLAT KADIMAH LIMITED
ABN 34 620 597 640
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 \$	2017 * \$
REVENUE	3	<u>1,167,801</u>	<u>729,424</u>
EXPENSES			
Administration expenses	4(a)	(944,809)	(375,896)
Religious festivals and functions	4(b)	(164,706)	(48,567)
Other expenses	4(c)	(24,210)	(18,622)
Total expenses		<u>(1,133,726)</u>	<u>(443,084)</u>
Surplus before income tax expense		34,075	286,340
Income tax expense		<u>-</u>	<u>-</u>
Surplus after income tax expense for the year attributable to the members of Kehillat Kadimah Limited		34,075	286,340
Other comprehensive income for the period, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year attributable to the members of Kehillat Kadimah Limited		<u>34,075</u>	<u>286,340</u>

* Kehillat Kadimah Limited was established on 21st July 2017

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

KEHILLAT KADIMAH LIMITED
ABN 34 620 597 640
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 \$	2017 * \$
ASSETS			
Current assets			
Cash and cash equivalents	5	459,285	409,118
Trade and other receivables	6	21,983	18,940
Total current assets		<u>481,268</u>	<u>428,058</u>
Total non-current assets		<u>-</u>	<u>-</u>
Total assets		<u>481,268</u>	<u>428,058</u>
LIABILITIES			
Current liabilities			
Trade and other payables	7	9,875	5,437
Employee benefits	8	28,301	20,388
Other	9	122,676	115,893
Total current liabilities		<u>160,852</u>	<u>141,718</u>
Total non-current liabilities		<u>-</u>	<u>-</u>
Total liabilities		<u>160,852</u>	<u>141,718</u>
Net assets		<u>320,416</u>	<u>286,340</u>
EQUITY			
Retained surplus		286,340	-
Current Year Surplus / (Deficit)		34,075	286,340
Total equity		<u>320,416</u>	<u>286,340</u>

* Kehillat Kadimah Limited was established on 21st July 2017

The above statement of financial position should be read in conjunction with the accompanying notes

KEHILLAT KADIMAH LIMITED
ABN 34 620 597 640
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Retained profits \$	Total equity \$
Balance at 1 January 2018	286,340	286,340
Surplus after income tax expense for the period	34,075	34,075
Other comprehensive income for the period, net of tax	-	-
Total comprehensive income for the period	34,075	34,075
Balance at 31 December 2018	320,416	320,416
Balance at inception*	-	-
Surplus after income tax expense for the period	286,340	286,340
Other comprehensive income for the period, net of tax	-	-
Total comprehensive income for the period	286,340	286,340
Balance at 31 December 2017	286,340	286,340

* Kehillat Kadimah Limited was established on 21st July 2017

The above statement of changes in equity should be read in conjunction with the accompanying notes

KEHILLAT KADIMAH LIMITED
ABN 34 620 597 640
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 \$	2017 * \$
Cashflows from operating activities			
Receipts from members and others		1,013,428	592,672
Payments to suppliers and employees		(1,273,128)	(451,601)
Donations and offerings		309,867	268,048
Sundry income		-	-
Net cash from operating activities		<u>50,167</u>	<u>409,118</u>
Cashflows from investing activities			
Net cash used in investing activities		<u>-</u>	<u>-</u>
Cashflows from financing activities			
Net cash used in financing activities		<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents		50,167	409,118
Cash and cash equivalents at the beginning of the period		<u>409,118</u>	<u>-</u>
Cash and cash equivalents at the end of the period		<u><u>459,285</u></u>	<u><u>409,118</u></u>

* Kehillat Kadimah Limited was established on 21st July 2017

The above statement of cash flows should be read in conjunction with the accompanying notes

KEHILLAT KADIMAH LIMITED
ABN 34 620 597 640
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Note 1. Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amending Accounting Standards and Interpretations adopted

The Company has adopted all of the new or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Accounting period

The Company was incorporated on the 21 July 2017, the comparatives are from 21 July 2017 (date of incorporation) to 31 December 2017.

Comparative figures

Comparative figures in the financial statements have been adjusted to conform to changes in presentation for the current financial year. The amendments do not impact on the company.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB'), and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act), as appropriate for not-for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

Revenue recognition

Money pledged for seat rentals and donations are brought to account on a cash basis as their collection is not enforceable.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

As the Company is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Trade and other receivables

Other receivables are recognised at cost.

KEHILLAT KADIMAH LIMITED
ABN 34 620 597 640
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Note 1. Significant Accounting Policies (*continued*)

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Employee benefits

Short-term employee benefits

Liabilities for wages, allowances, and annual leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Goods and Services Tax ('GST')

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. There are no critical accounting judgements, estimates and assumptions that are likely to affect the current or future financial years.

KEHILLAT KADIMAH LIMITED
ABN 34 620 597 640
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Note 3. Revenue

	2018	2017 *
	\$	\$
Seat Rental	886,200	500,911
Donations & offerings	246,356	223,320
Bar/Bat Mitzvah income	1,700	1,900
Sundry income	33,546	3,293
	<u>1,167,801</u>	<u>729,424</u>

Note 4. Expenses

	2018	2017 *
	\$	\$
(a) Administration:-		
Bank and merchant fees	3,170	12,102
Cleaning	22,718	8,474
Employee benefits expense	545,938	211,561
Hire of plant & equipment	-	1,476
Insurance	34,425	7,274
IT expenses	15,003	2,056
Postage, printing & stationery	17,804	11,432
Rates	5,008	1,923
Rent	210,000	111,000
Repairs & maintenance	62,125	7,176
Telephone	2,556	1,422
Utilities	26,062	-
	<u>944,809</u>	<u>375,896</u>
(b) Religious festivals and functions:-		
Choir expenses	47,432	10,985
Function expenses (Net)	32,932	4,719
Security costs	62,600	27,546
Youth Activities	21,742	5,317
	<u>164,706</u>	<u>48,567</u>
(c) Other expenses:-		
Advertising expense	4,565	54
Auditor's remuneration	5,000	3,000
Consultants fees	5,600	1,140
Establishment Costs expensed	-	9,440
General expenses	9,045	4,988
	<u>24,210</u>	<u>18,622</u>

* Kehillat Kadimah Limited was established on 21st July 2017

** \$45,823 has been reallocated in the prior period from function and choir offerings to function and choir expenses to reflect only the net expense to Kehillat Kadimah Limited.

KEHILLAT KADIMAH LIMITED
ABN 34 620 597 640
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Note 5. Current assets - cash and cash equivalents

	2018	2017 *
	\$	\$
Cash at bank	459,185	408,955
Cash on hand	100	163
	<u>459,285</u>	<u>409,118</u>

Note 6. Current assets - trade and other receivables

	2018	2017 *
	\$	\$
GST receivable	10,687	9,049
Other receivables	11,296	9,890
	<u>21,983</u>	<u>18,940</u>

Note 7. Current liabilities - trade and other payables

	2018	2017 *
	\$	\$
Trade payables	9,875	5,437
	<u>9,875</u>	<u>5,437</u>

Note 8. Current liabilities - employee benefits

	2018	2017 *
	\$	\$
Employee benefits	21,144	6,272
PAYG withholding payable	-	2,430
Superannuation payable	7,156	11,686
	<u>28,301</u>	<u>20,388</u>

* Kehillat Kadimah Limited was established on 21st July 2017

KEHILLAT KADIMAH LIMITED
ABN 34 620 597 640
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Note 9. Current liabilities - other

	2018 \$	2017 * \$
Unearned income (membership dues)	74,695	93,960
Accrued expense	47,981	21,933
	<u>122,676</u>	<u>115,893</u>

Note 10. Commitments

	2018 \$	2017 * \$
Lease Commitments - operating		
Within one year	17,500	18,500
From one to five years	-	-
	<u>17,500</u>	<u>18,500</u>

The abovementioned lease commitment relates to a lease contract to occupy premises situated at 666 Old South Head Road, Rose Bay NSW 2029 which ended on 28 January 2019. The Company currently occupies these premises on a monthly tenancy arrangement on identical terms pending execution of an agreed form of a new lease contract for a further 12 months.

Note 11. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2018.

Note 12. Related party transactions

From time to time Directors of the entity may purchase goods from the Company or participate in the Company's activities. These participations are on the same terms and conditions as those entered into by any other member of the Company.

Transactions with related parties:

Companies in which certain members of the Synagogue have interests have leased the premises at 662-666 Old South Head Road, Rose Bay NSW 2029 to Kehillat Kadimah Limited. Refer to lease commitments in Note 10.

The following transactions occurred with related parties:

	<u>2018</u>	<u>2017</u>
Rent paid to Landlord	210,000	111,000

Terms and conditions:

All transactions were made on normal commercial terms and conditions and at market rates.

KEHILLAT KADIMAH LIMITED
ABN 34 620 597 640
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Note 13. Events after the reporting period

No matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Note 14. Prior year adjustments

Money pledged are brought to account on a cash basis as their collection is not enforceable. Therefore, trade and other receivables of \$22,799 for the period ended 31 December 2017 should not have been recognised.

In view of the above, corrections to the company's accounts were required as per AASB 108 "Accounting Policies, Changes in Accounting Estimates and Errors".

The amounts of the corrections for each financial statement line item affected in the 2017 comparatives are as

Statement of financial position:

- Trade and other receivables have been decreased from \$31,848 to \$18,940.

Statement of profit or loss and other comprehensive income:

- Revenue has been decreased from \$798,046 to \$729,424. **

Statement of changes in equity:

- Surplus after income tax expense for the period has decreased from \$309,139 to \$286,340.

** \$45,823 has been reallocated in the prior period from function and choir offerings to function and choir expenses to reflect only the net expense to Kehillat Kadimah Limited.

Note 15. Entity details

The registered office and place of business of this Company is: 662-666 Old South Head Road, Rose Bay NSW 2029.

KEHILLAT KADIMAH LIMITED
ABN 34 620 597 640
DIRECTORS' DECLARATION
FOR THE YEAR ENDED 31 DECEMBER 2018

In the Directors' opinion:

- the attached financial statements and notes satisfy the reporting requirements as specified in Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and the *Australian Charities and Not-for profits Commission Regulation 2013* ;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 31 December 2018 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.



Joshua Bolot - Chairman
Director



Shimi Friedgut - Treasurer
Director

20th day of March, 2019
Sydney

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF KEHILLAT KADIMAH LIMITED
ABN: 47 000 049 785**

Report on the Audit of the Financial Report

We have audited the financial report of Kehillat Kadimah Limited, which comprises the statement of financial position as at 31 December 2018, the statement of comprehensive income and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion the financial report of Kehillat Kadimah Limited has been prepared in accordance with Division 60 of the Australian Charities and Not-for-Profits Commission Act 2012, including:

- (a) giving a true and fair view of the registered entity's financial position as at 31 December 2018 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting - Reduced Disclosure Requirements to the extent described in Note 1, and Division 60 the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the registered entity in accordance with the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the registered entity's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibility of the Responsible Entities and Those Charged with Governance for the Financial Report

The responsible entities of the registered entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Australian Accounting - Reduced Disclosure Requirements and ACNC Act. The responsible entities' responsibility also includes such internal control as the responsible entities determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the responsible entities are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the responsible entities either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the registered entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the Audit of the Financial Report is located at the Auditing and Assurance Standards Board website at http://www.auasb.gov.au/auditors_files/ar3.pdf. This description forms part of our Auditor's Report.

Name of firm: Logicca Assurance Pty Limited



Director: Peter Hersh

Address: Level 6, 151 Macquarie Street, SYDNEY NSW 2000

Dated this: 21st day of March 2019

KEHILLAT KADIMAH LIMITED
ABN 34 620 597 640
DETAILED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 \$	2017 * \$
REVENUE		
Membership	886,200	500,911
Donations & offerings	246,356	223,320
Bar/Bat Mitzvah Income	1,700	1,900
Sundry income	33,546	3,293
	<u>1,167,801</u>	<u>729,424</u>
EXPENSES		
Advertising expense	4,565	54
Auditor's remuneration	5,000	3,000
Bank and merchant fees	3,170	12,103
Choir expenses	47,432	10,985
Cleaning	22,718	8,474
Consultants fees	5,600	1,140
Employee benefits expense	545,938	211,561
Establishment Costs expensed	-	9,440
Function expenses (Net)	32,932	4,719
General expenses	9,045	4,988
Hire of plant & equipment	-	1,476
Insurance	34,425	7,274
IT expenses	15,003	2,056
Postage, printing & stationery	17,804	11,432
Rates	5,008	1,923
Rent	210,000	111,000
Repairs & maintenance	62,125	7,176
Security costs	62,600	27,546
Telephone	2,556	1,422
Utilities	26,062	-
Youth Activities	21,742	5,317
	<u>1,133,726</u>	<u>443,085</u>
Net Surplus / (Deficit) for the year	<u>34,075</u>	<u>286,340</u>

* Kehillat Kadimah Limited was established on 21st July 2017